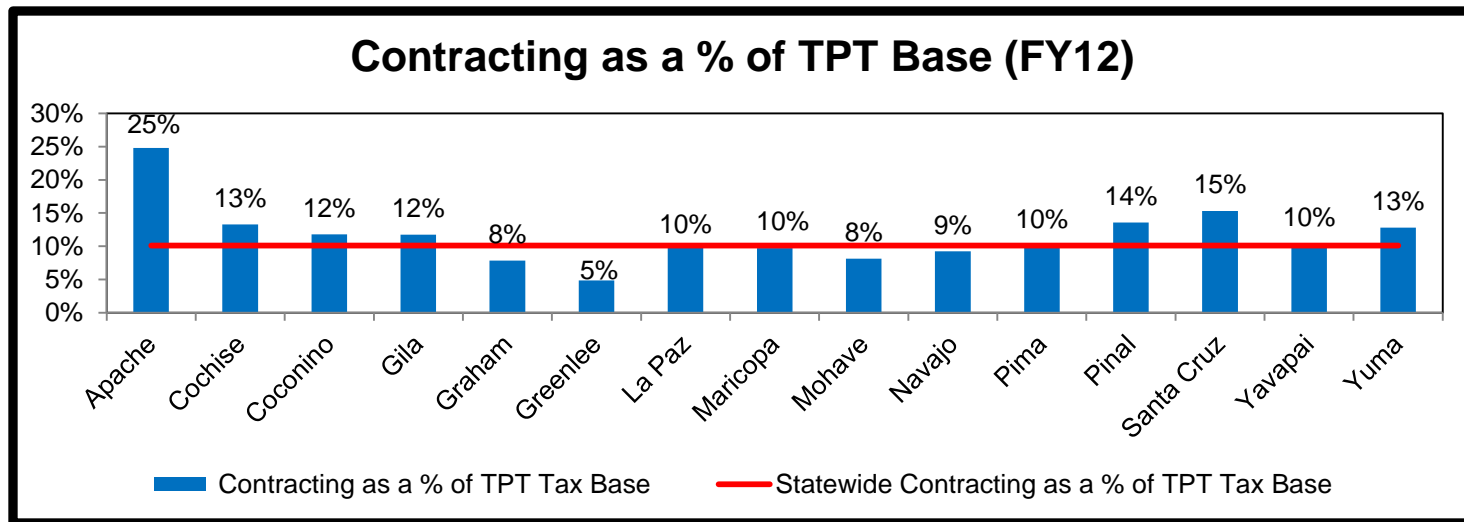


Moving Point of Taxation on Prime Contracting: *What does it mean from a county revenue prospective?*

County Local Excise Taxes: Prime contracting is part of the TPT tax base for local excise taxes.



State collections on prime contracting are shared with counties through the revenue sharing formula:

- 20% of prime contracting revenue is shared with cities and counties through revenue sharing : \$39 million was distributed to counties in FY12

Distributional Issue:

- Statutory formulas used to divide state shared sales tax include a component related to where (what county) TPT collections occur

